


From: bounce-261760-7982458@listserv.state.ma.us on behalf of Governor Deval L. Patrick <Constituent.Services@state.ma.us>
Sent: Thursday, July 01, 2010 6:23 PM
To: Hanchett, James (DPH)
Subject: FY 2011 Budget Message

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Dear Colleague,

As you know, yesterday I signed a \$27.6 billion budget for Fiscal Year 2011, which starts today. [Access the full budget by clicking here](#)

For the fourth consecutive year, our budget is balanced, responsible and on time -- not something many other states can say.

To accomplish this, the members of the Legislature, their staff, and members of my team in Administration and Finance and the Executive Office worked early mornings, late evenings and weekends to respond to challenging and quickly changing circumstances. I am sincerely grateful for their hard work and dedication.

In terms of where we stand, there is good news and bad news.

The good news is that the economy is improving. May marked our fourth straight month of job gains, with April representing the single largest monthly job gain since 1993. The Philadelphia Federal Reserve reported that our economy out-performed 48 other states in the last quarter of 2009. Home sales, retail and downtown office space leasing are all up. Business confidence is surging. Although there is much more to do, and many more people still need jobs and a way forward for themselves and their families, we can see light at the end of a long, dark tunnel -- and we are seeing it sooner than much of the rest of the country. That is very good news for all of us.

But because tax revenues are largely based on the past and not the present, the budget I signed reflects difficult times. Already during this recession, we have solved a cumulative budget gap of more than \$12 billion. The pain has been and will continue to be widespread and requires everyone -- state agencies, cities and towns, not-for-profits and working families -- to keep doing more with less.

Overall, the FY2011 budget has grown only 2-tenths of one percent. Local aid and state support for public schools have been reduced 4 percent and 3.1 percent, respectively. These are perhaps the most difficult spending levels to approve.

Because of the failure of the Congress to allocate additional funding, it also contains none of the so-called FMAP money that we -- like nearly 30 other states -- had included in our initial proposal, representing \$457.6 million in additional cuts. If Congress in the end approves the extension of FMAP, unemployment insurance and other supports that people need in a time of economic distress like this, we will be able to restore many of these difficult cuts, and I will file a supplemental budget accordingly.

At the same time, a series of important reforms will help us find savings across state government.

We bar the use of state funds to lobby state agencies. We require all state contracts and spending to be available and accessible to all citizens on a new state website, much as we do now with stimulus spending, and we require all tax credits to be equally transparent. We continue our commitment to consolidating IT services across state government, where we believe there are significant savings. And we institute a discipline that permits only a portion of capital gains tax receipts to be used in the operating budget, all the balance to be deposited into the Rainy Day Fund for future rainy days -- something we have been working on for some time.


All of us in public service have borne painful cuts in service and staff over the past two years. The scope of this challenge has required cutting many worthy programs and services, eliminating over 2,600 state positions, frozen or cut wages, negotiated concessions from state employee unions, and further efficiencies out of every corner of our government. I have cut my own budget by nearly half.

It has been inspiring to see how, despite these challenges -- in agencies and departments all across the Commonwealth -- you have pulled together to continue to serve our constituents. I appreciate that -- I appreciate you -- more than I can say.

I know that the loss of good people and reduction in funding compromises public service and disrupts the lives of people who depend upon it. Still, I ask you to remain a partner in this process. If you have good ideas or suggestions for how to more efficiently deliver your services or cut costs, please reply to this message and let us know.

There are better times ahead. Let us continue to reach for them together. As always, thank you for your service.

Sincerely,

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Deval Patrick